



Constellation Energy Announces Cash Tender Offer For Up to \$400 Million Aggregate Principal Amount of Certain of its Outstanding Notes

BALTIMORE, Jan 06, 2010 (BUSINESS WIRE) -- Constellation Energy (NYSE: CEG) today announced the commencement of a cash tender offer for up to \$400 million aggregate principal amount (the "Maximum Tender Cap") of its outstanding 7.00% Notes due April 1, 2012 (the "2012 Notes"), and its outstanding 4.55% Notes due June 15, 2015 (the "2015 Notes," and collectively, the "Notes"). The tender offer is a part of Constellation Energy's previously announced commitment to repay \$1 billion of debt following the close of its transaction with EDF Group in November 2009. Constellation Energy expects to fulfill this commitment by the end of the first quarter of 2010. The tender offer will expire on Wednesday, Feb. 3, 2010, at midnight, New York City time, unless extended or earlier terminated in the sole discretion of Constellation Energy (such date and time, as the same may be extended or earlier terminated, the "Expiration Date"). The terms and conditions of the tender offer are set forth in an Offer to Purchase dated Jan. 6, 2010, (the "Offer to Purchase") and related Letter of Transmittal.

Subject to the terms and conditions set forth in the Offer to Purchase, Constellation Energy will pay the Tender Offer Consideration or the Total Consideration set forth in the table below, as applicable, per \$1,000 principal amount for each series of Notes, plus accrued and unpaid interest in respect of any Notes accepted for purchase in the tender offer up to, but not including, the date of payment for the Notes, which is expected to be the next business day following the Expiration Date (the "Settlement Date"). The Settlement Date is expected to occur on Thursday, Feb. 4, 2010.

CUSIP Number	Title of Security	Aggregate Principal Amount Outstanding	Acceptance Priority Level	Tender Offer Consideration ⁽¹⁾	Early Tender Payment ⁽¹⁾	Total Consideration ⁽¹⁾
210371 AH3	7.00% Notes due April 1, 2012	\$700,000,000	1	\$1,080.00	\$30.00	\$1,110.00
210371 AK6	4.55% Notes due June 15, 2015	\$550,000,000	2	\$1,002.50	\$30.00	\$1,032.50

⁽¹⁾ Per \$1,000 principal amount of Notes accepted for purchase.

In order to receive the Total Consideration set forth in the table above, holders must validly tender and not validly withdraw their Notes at or prior to 5:00 p.m., New York City time, on Wednesday, Jan. 20, 2010, unless extended (such date and time, as the same may be extended, the "Early Tender Date"). The Total Consideration includes the early tender payment of \$30 per \$1,000 principal amount of Notes (the "Early Tender Payment"). Holders validly tendering their Notes after the Early Tender Date and on or prior to the Expiration Date will be eligible to receive only the Tender Offer Consideration set forth in the table above, which is equal to the Total Consideration minus the Early Tender Payment.

The amount of each series of Notes that will be purchased in the tender offer will be based on the Maximum Tender Cap and the order of priority for such series of Notes set forth in the table above (the "Acceptance Priority Level"), as more fully described in the Offer to Purchase. Since the 2012 Notes have a higher Acceptance Priority Level (with "1" being the highest) over the 2015 Notes, all 2012 Notes validly tendered and not validly withdrawn in the tender offer will be accepted for purchase up to the Maximum Tender Cap before any validly tendered and not validly withdrawn 2015 Notes are accepted for purchase, up to the Maximum Tender Cap for all Notes in the aggregate. Constellation Energy reserves the right, subject to applicable law, to increase or modify the Maximum Tender Cap, in its sole discretion.

As described in the Offer to Purchase, Notes tendered prior to the Early Tender Date may be withdrawn at any time at or prior to the Early Tender Date, but (subject to limited exceptions) not thereafter. After the Early Tender Date, tendered Notes may not be validly withdrawn unless Constellation Energy amends or otherwise changes the tender offer in a manner material to tendering holders or is otherwise required by law to permit withdrawal. Withdrawn Notes may be validly re-tendered at any time on or prior to the Expiration Date. The tender offer is subject to the satisfaction or waiver of certain customary conditions, but is not conditioned on the tender of a minimum principal amount of any series of Notes. Constellation Energy may amend, extend or, subject to certain conditions, terminate the tender offer at any time in its sole discretion.

This press release is neither an offer to purchase nor a solicitation of an offer to sell any securities. The tender offer is only being made pursuant to the terms of the Offer to Purchase and the related Letter of Transmittal. The tender offer does not constitute an offer to buy or the solicitation of an offer to sell Notes in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful. None of Constellation Energy, the dealer managers, the depository, the information agent or any of their respective affiliates is making any recommendation as to whether or not holders should tender all or any portion of their Notes in the tender offer.

Constellation Energy has engaged Credit Suisse Securities (USA) LLC, Morgan Stanley & Co. Incorporated and RBS Securities Inc. to act as dealer managers for the tender offer and Global Bondholder Services Corporation to act as information agent and depositary for the tender offer. Requests for documents may be directed to Global Bondholder Services Corporation at (866) 540-1500 (U.S. toll free) or at (212) 430-3774 (collect), or in writing to 65 Broadway, Suite 723, New York, New York 10006, Attention: Corporate Actions. Questions regarding the tender offer may be directed to Credit Suisse Securities (USA) LLC at (800) 820-1653 (U.S. toll free) or (212) 325-5912 (collect); Morgan Stanley at (800) 624-1808 (U.S. toll free) or at (212) 761-5384 (collect); or RBS Securities Inc. at (877) 297-9832 (U.S. toll free) or at (203) 897-6145 (collect).

Forward-Looking Statements

We make statements in this news release that are considered forward-looking statements. These statements are not guarantees of our future performance and are subject to risks, uncertainties and other important factors that could cause our actual performance or achievements to be materially different from those we project. For a full discussion of these risks, uncertainties and factors, we encourage you to read our documents on file with the Securities and Exchange Commission, including the disclosures set forth in our periodic reports under the forward-looking statements and risk factors sections. Except as required by law, we do not intend to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Constellation Energy

Constellation Energy (www.constellation.com) is a leading supplier of energy products and services to wholesale and retail electric and natural gas customers. It owns a diversified fleet of generating units located in the United States and Canada, totaling approximately 7,100 megawatts of generating capacity, and is among the leaders pursuing the development of new nuclear plants in the United States. The company delivers electricity and natural gas through the Baltimore Gas and Electric Company (BGE), its regulated utility in Central Maryland. A FORTUNE 500 company headquartered in Baltimore, Constellation Energy had revenues of \$19.8 billion in 2008.

SOURCE: Constellation Energy

Constellation Energy

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